

Message Text

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ACTION EUR-12

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FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 3214

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S/S PLEASE PASS WHITE HOUSE

E.O. 11652: N/A

TAGS: PDIP, AU

SUBJECT: AMBASSADOR'S INITIAL MEETINGS WITH SENIOR AUSTRIAN
OFFICIALS

1. I MADE MY PRE-CREDENTIALS CALL ON FONMIN PAHR ON SEPTEMBER 2, PRESENTED MY CREDENTIALS TO PRESIDENT KIRSCHSCHLAEGER ON THE MORNING OF SEPTEMBER 5, AND MADE MY INITIAL CALL ON CHANCELLOR KREISKY LATER THE SAME DAY. IN EACH CASE I WAS GIVEN A CONSPICUOUSLY WARM AND OPEN RECEPTION, WHICH SERVED CLEARLY TO UNDERLINE THE VITAL IMPORTANCE TO THE GOA OF ITS BILATERAL RELATIONSHIP WITH THE US AS WELL AS THE DESIRE OF ITS LEADERS TO CARRY ON A CONTINUING HIGH-LEVEL DIALOGUE WITH US ON MATTERS OF SUBSTANCE.

2. MY CONVERSATION WITH THE PRESIDENT LASTED APPROXIMATELY 25 MINUTES--MOST UNUSUAL BY AUSTRIAN CREDENTIALS STANDARDS --AND HE EMPHASIZED IN EXTREMELY CANDID FASHION THE IMPORTANCE OF US (AND WESTERN) STRENGTH FOR THE MAINTENANCE OF A VIABLE AUSTRIAN NEUTRALITY POLICY. AS REGARDS HUMAN RIGHTS, KIRSCHSCHLAEGER WAS SUPPORTIVE OF THE ADMINISTRATION'S EFFORTS, BUT CAUTIONED THAT WE "SHOULD NOT BE SEEN TO BE SINGLING OUT THE
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SOVIETS." HE ARGUED THAT AN EVEN-HANDED HUMAN RIGHTS POLICY WOULD EVENTUALLY SERVE TO "REASSURE" THE USSR, IN MUCH THE SAME MANNER AS THE EAST HAD BEEN PLACATED BY AN AUSTRIAN REFUGEE POLICY WHICH "TREATED CHILEAN AND UGANDANS THE SAME AS EASTERN EUROPEANS."

3. THE CHANCELLOR TREATED ME TO ONE OF HIS RENOWNED TOURS

D'HORIZON, ALTHOUGH THIS ONE WAS FOCUSED PRIMARILY ON AUSTRIAN'S ECONOMIC SITUATION--A SITUATION VERY MUCH ON KREISKY'S MIND AS HE RETURNS FROM HIS MALLORCAN VACATION TO FACE INCREASINGLY VEXATIOUS BALANCE-OF-PAYMENTS AND BUDGETARY PROBLEMS. THE CHANCELLOR ATTRIBUTED AUSTRIA'S BALANCE-OF-PAYMENTS SITUATION TO PROSPERITY ("\$1 BILLION FOR TOURISM AND \$1 BILLION FOR IMPORTED CARS LAST YEAR"), AND EXPRESSED THE VIEW THAT THERE MIGHT BE A NEED FOR "MINOR SELECTIVE RESTRICTIONS" TO CURB IMPORTS. HE DID NOT SPECIFY WHAT THESE RESTRICTIONS MIGHT ENTAIL, ALTHOUGH HE HAS' ALREADY FLOATED THE NOTION OF A SPECIAL TAX ON FOREIGN AUTOS--RECOGNIZING THAT SUCH A TAX WOULD ESSENTIALLY BE TARGETED AGAINST GERMAN AUTO IMPORTS.

4. WITH RESPECT TO AUSTRIA'S "HARD SCHILLING" POLICY, KREISKY SAID HE DID NOT DISAGREE WITH HIS FINANCE MINISTER ON THE DESIRABILITY OF MAINTAINING A LINK WITH THE EUROPEAN "SNAKE," BUT HE FELT AT THE SAME TIME THAT THE SCHILLING SHOULD NOT HAVE TO BE "TIED TOO RIGIDLY TO THE MARK." IN RESPONSE TO MY QUERY, KREISKY SAID HE THOUGHT IT MIGHT BE APPROPRIATE FOR THE SCHILLING TO BE DEVALUED ABOUT THREE PERCENT VIS-A-VIS THE CURRENT SCHILLING/DM PARITY.

5. AS REGARDS THE MIDDLE EAST, KREISKY SAID HE THOUGHT PRESIDENT CARTER WAS "ON THE RIGHT TRACK IN THE LONG RUN." HE WAS MOST CONCERNED ABOUT THE SHORTER RUN, HOWEVER, AND EXPRESSED HIMSELF AS BEING VERY PESSIMISTIC ABOUT THE DANGER OF LIMITED OFFICIAL USE

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A RENEWED WAR IN THE AREA. KREISKY FELT THAT IF PEACE DIDN'T COME SOON, THE PRESENT "MODERATE" ARAB LEADERS WOULD BE REPLACED BY MUCH MORE MILITANT LEADERSHIP.

6. THE MEETING WITH KREISKY LASTED 45 MINUTES (DESPITE A LARGER GROUP BEING KEPT WAITING IN HIS OUTER OFFICE FOR ABOUT 10 MINUTES) AND CONCLUDED WITH HIS EXPRESSING THE HOPE THAT WE COULD GET TOGETHER "IN OUR HOMES" TO CARRY ON OUR DIALOGUE IN AN EFFECTIVELY INFORMAL MANNER. THE CHANCELLOR ASKED SPECIFICALLY THAT HIS CORDIAL GREETINGS BE CONVEYED TO PRESIDENT CARTER, VICE PRESIDENT MONDALE--WHOSE VISIT HE RECALLED WITH PLEASURE--AND SECRETARY VANCE.WOLF

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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